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SUBJECT: Leterme's Exit Means Further Delays Before
Belgium Gets a New Government

¶1. (U) Summary: A prolonged period of uncertainty seems likely to follow Flemish Christian Democratic (CD&V) leader Leterme's August 23 decision to halt his attempt to form Belgium's next government. His efforts broke down after it became clear that his potential coalition partners (the Flemish and francophone Christian Democrats and Flemish and francophone Liberals) could not smooth the edges off a sharp disagreement about the appropriate duties of the federal and regional administrations. In terms of next steps, most observers King Albert II to ask an elder statesman like current European Investment Bank chairman Philippe Maystadt to mediate or, in the Belgian vernacular, "deminier." This person's job is to clear the way for the next attempt to form a government, a task that could again fall to Leterme. The political class is using the delay prior to the King's expected announcement to indulge in a vigorous round of the blame game. End summary.

¶2. (U) After hurrying home from a vacation in the South of France, Belgium's monarch agreed on August 23 to accept CD&V leader Leterme's resignation as "formateur" of Belgium's next government. Leterme reached the difficult decision to lay down his responsibility 74 days after the election. During this period, he failed to overcome francophone suspicions that he was insufficiently committed to the maintenance of a strong federal state, and a series of gaffes, not the least being his inability to sing the Belgian national anthem in French, fueled fears that he was at heart a closet Flemish nationalist beholden for votes to the NVA, a small nationalist party allied closely with Leterme's Christian Democrats.

¶3. (U) Added to these handicaps was a wide gulf on social and economic questions. According to participants in the formation talks, the left-leaning francophone Christian Democrats (CdH) refused to support the other parties in reining in the costs of unemployment insurance, and in other free market oriented changes. Despite this obstacle to an agreement, Leterme's attempt to forge a government broke down over the constitutional reform issue. It became clear during a marathon negotiating session on August 21-22 that the Flemish parties would not back away from demands for shifting greater powers to the regions, and that the francophones would not cease their opposition to such changes.

¶4. (U) King Albert II is responsible for the next act in this drama. Local observers expect him to name an "informateur" from one of the francophone parties to canvass the four negotiating partners on ways out of the current mess. Current European Investment Bank head Philippe Maystadt is a leading candidate for this elder statesman's job, as are former Justice Minister Melchior Wathelet, former House of Representatives Speaker Raymond Langendries (all francophone Christian Democrats), and

former Defense Minister Francois-Xavier De Donnea (a francophone Liberal). Having caused the current mess, the francophone parties must solve it, according to NVA leader De Wever. Assuming the informateur divines a way forward, the King would then name a new "formateur" to cobble a government together. That person could well be Leterme again or, less likely, francophone Liberal leader Reynders, the other party that did especially well in the June elections.

¶ 15. (U) In the meantime, Belgium's political class is busy pointing fingers at any and all for precipitating the present storm. CdH leader Milquet is the leading bogey-person on the Flemish side, where her stubborn refusal to take part in negotiations on far-reaching constitutional changes is widely considered the prime source of the crisis. Leterme plays the same role in the francophone community.

¶ 16. (U) Comment: No one said it would be easy to form a government after Belgium's June elections. That said, the difficulty Leterme has encountered suggests strongly that the job is more complicated than most people thought. A prolonged delay will mean putting off difficult issues like dealing with the looming Social Security crisis, and relatively straightforward issues like deciding who will represent Belgium at UNGA. End Comment.

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